

VILLAGE OF WEBBERVILLE, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2006

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name VILLAGE OF WEBBERBILLE	County INGHAM
Fiscal Year End MARCH 31, 2006	Opinion Date OCTOBER 30, 2006	Date Audit Report Submitted to State <i>March 12, 2007</i>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

**YES NO** Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Demis and Wenzlick, P.C.		Telephone Number (989) 723-8227	
Street Address 217 N Washington St.		City Owosso	State MI
Zip 48867			
Authorizing CPA Signature <i>Geraldine Terry, CPA</i>		Printed Name Geraldine Terry, CPA	License Number 1101026880

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable President  
and Village Council  
Village of Webberville, Michigan

We have audited the accompanying general-purpose financial statements of the Village of Webberville, Michigan, as of and for the year ended March 31, 2006, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Village of Webberville's management. Our responsibility is to express an opinion on the general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-compliance of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Webberville, Michigan, as of March 31, 2006, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Dennis and Lengyel, PC*

Certified Public Accountants

Owosso, Michigan  
October 30, 2006



VILLAGE OF WEBBERVILLE  
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,  
AND DISCRETELY REPORTED COMPONENT UNITS  
MARCH 31, 2006

	Government Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Component Unit
ASSETS:									
Cash & Cash Equivalents	\$ 157,347	\$ 390,967	\$ 89,321	\$ 710,195	\$	\$ 23,070	\$	\$	\$ 299,747
Cert. of Deposit									
Accrued Int. Rec.				2,007					
Accts. Rec.	13,443	4,783		70,473					
Prepaid Expenses	15,987			3,045	4,314				
Assessment Rec.			30,851						
Utility Cust. Rec.	11,797								
Other Rec.									
Cable Franchise.									
Due from Other Funds	1,338	2,624							
Due from Other Governmental Units									
Restricted Assets									376,328
Fixed Assets (Net of Accum. Deprec.)				4,217,104	77,158		1,689,704		
Unamortized Disc. on bonds issued & Financing Costs				82,190					
Amt. to be Provided for General Long Term Debt								654,846	
Total Assets	\$ 199,912	\$ 398,374	\$ 120,172	\$ 5,085,014	\$ 81,472	\$ 23,070	\$ 1,689,704	\$ 654,846	\$ 676,075

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,  
AND DISCRETELY REPORTED COMPONENT UNITS  
MARCH 31, 2006

	Government Fund Types			Proprietary Fund Types			Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency		General Fixed Assets	General Long Term Debt	Component Unit
Liabilities:										
Accounts Payable	\$ 82,172	\$ 70	\$	\$ 2,215	\$ 45,655	\$		\$	\$	\$ 31,332
Accts. Pay. - Payroll										
Accrued Int. Payable	5,029			54,957		20,790				12,514
Payroll Taxes Payable										
Retirement Payable						0				
Loan Payable						942				
Current Mat. on Long Term Debt	25,000			155,000					629,846	
Revenue Bonds Payable				1,905,000						
Due to Other Funds	136	2,488				1,338				
Total Liabilities	\$ 112,337	\$ 2,558	\$ 0	\$ 2,117,172	\$ 45,655	\$ 23,070		\$ 0	\$ 629,846	\$ 43,846
Fund Equity										
Contributed Capital				1,206,406						
Investment in General Fixed Assets								1,689,704		
Ret. Earnings-Reserved				1,507,731						
Ret. Earnings-Unreserved				253,705	35,817					
Fund Balance	87,575	395,816	120,172							632,229
Total Fund Equity	\$ 87,575	\$ 395,816	\$ 120,172	\$ 2,967,842	\$ 35,817	\$ 0		\$ 1,689,704	\$ 0	\$ 632,229
Total Liabilities & Fund Equity	\$ 199,912	\$ 398,374	\$ 120,172	\$ 5,085,014	\$ 81,472	\$ 23,070		\$ 1,689,704	\$ 629,846	\$ 676,075

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL TYPE FUNDS  
 AND DISCRETELY REPORTED COMPONENT UNIT  
 YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Component Unit</u>
<b>REVENUES:</b>				
Taxes	\$494,796	\$178,640	\$ 0	\$ 0
Fees & Permits	15,790	0	0	0
Intergovernmental	146,104	98,636	0	0
Charges for Services	49,112	0	0	0
Other Gov't Units	0	0	0	319,683
Special Assessments	0	0	39,797	0
Interest Income/ Misc. Other	<u>51,024</u>	<u>16,051</u>	<u>3,596</u>	<u>8,535</u>
<b>TOTAL REVENUES</b>	<b>\$756,826</b>	<b>\$293,327</b>	<b>\$ 43,393</b>	<b>\$328,218</b>
<b>EXPENDITURES:</b>				
Legislative	\$ 13,275	\$ 0	\$ 0	\$ 0
General Gov't.	79,086	0	0	0
Police	291,569	0	0	0
Fire	32,647	0	0	0
Public Works	61,314	0	0	0
Street Lights/Util.	54,604	0	0	0
Refuse Collection	31,365	0	0	0
Recreation	6,962	0	0	0
Insurance	18,882	0	0	0
Principal & Int.	37,189	0	0	0
Capital Purchase & Construction	0	0	0	0
Highways & Streets: Maintenance	0	123,328	70,908	0
D.D.A.: Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,726</u>
<b>TOTAL EXPENDITURES</b>	<b>\$626,893</b>	<b>\$123,328</b>	<b>\$ 70,908</b>	<b>\$300,726</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<b>\$129,933</b>	<b>\$169,999</b>	<b>\$ (27,515)</b>	<b>\$ 27,492</b>

The accompanying notes are an integral  
 part of the financial statements.

VILLAGE OF WEBBERVILLE  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL TYPE FUNDS AND  
 DISCRETELY REPORTED COMPONENT UNIT  
 YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Component Unit</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	\$ 0	\$ 80,000	\$ 1,717	\$ 0
Transfers from Component Units	20,000	14,115	0	0
Transfers to Other Funds	(40,000)	(60,000)	0	0
Transfer to Component Units	(141,401)	(52,113)	0	0
Transfer to Primary Gov't				(224,632)
Transfer from Primary Gov't.	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,513</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$(161,401)	\$(17,998)	\$ 1,717	\$(31,119)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES				
	\$ (31,468)	\$152,001	\$(25,798)	\$ (3,627)
Fund Balance - Beginning Of Year	<u>119,043</u>	<u>243,815</u>	<u>145,970</u>	<u>635,856</u>
FUND BALANCE - END OF YEAR	\$ <u>87,575</u>	<u>\$395,816</u>	<u>\$120,172</u>	<u>\$632,229</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENT AND  
DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED MARCH 31, 2006

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND TYPES			COMPONENT UNIT		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
REVENUES:												
Taxes	\$ 481,371	\$ 494,796	\$ (13,425)	\$ 174,918	\$ 178,640	\$ (3,722)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees & Permits	15,848	15,790	58									
Inter-Governmental	146,104	146,104	0	103,500	98,636	4,864	0	0	0	576,411	319,683	256,728
Charges for Services	40,666	49,112	(446)									
Special Assessments			0									
Int. & Misc.	15,205	21,524	(6,319)	2,131	35,051	(13,920)	1,843	39,797	0	26,000	8,535	17,465
TOTAL REVENUES	\$ 707,194	\$ 727,326	\$ (20,132)	\$ 280,549	\$ 293,327	\$ (12,778)	\$ 2,323	\$ 43,393	\$ (3,116)	\$ 602,411	\$ 328,218	\$ 274,193
EXPENDITURES:												
Legislative	\$ 13,122	\$ 13,275	\$ (153)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Gov't	69,567	79,086	(9,519)									
Police	286,835	291,569	(4,734)									
Fire	33,335	32,647	688									
Public Works	66,004	61,314	4,720									
Street												
Lights/Utilities	51,208	54,604	(3,396)									
Refuse Collection	31,365	31,365	0									
Recreation	6,962	6,962	0									
Insurance	34,069	18,882	15,987									
Sidewalk												
Main/Repairs			0				60,556	70,908	(10,352)			
Supplies, Repairs, Misc.			0									
Principal & Int.			0									
Highways & Streets			0									
Maintenance			0	128,326	123,328	4,998						
Principal & Int.			0									
LTD	12,780	37,189	(4,409)	0		0						
DDA			0									
Other		0	0							566,393	360,726	265,667
TOTAL EXPENDITURES	\$ 626,077	\$ 626,893	\$ (816)	\$ 128,326	\$ 123,328	\$ 4,998	\$ 60,556	\$ 70,908	\$ (10,352)	\$ 566,393	\$ 300,726	\$ 265,667
REVENUES OVER (UNDER)												
EXPENDITURES	\$ 81,117	\$ 100,433	\$ (19,316)	\$ 152,223	\$ 169,999	\$ (17,776)	\$ (58,233)	\$ (27,515)	\$ 7,216	\$ 36,018	\$ 27,492	\$ 8,526
OTHER FINANCING SOURCES:												
Transfer from Primary Gov't										\$ 0	\$ 193,513	\$ *****
Transfers from Other Funds	\$ 29,500	\$ 29,500	\$ 0	\$ (20,000)	\$ 80,000	\$ 100,000	\$ 20,000	\$ 20,000	\$ 0			
Transfers to Component Unit	20,000	20,000	0	40,000	14,115	(25,885)	(18,283)	(18,283)				
Transfers to Other Funds	(100,000)	(40,000)	60,000		(60,000)	(60,000)						
Transfers to Component Unit	(141,265)	(141,401)	(136)	(56,546)	(52,113)	4,433						
Transfers to Primary Gov't										(220,518)	(224,632)	(4,114)
TOTAL OTHER FINANCING SOURCES	\$ (191,765)	\$ (131,901)	\$ 59,864	\$ (36,546)	\$ (37,998)	\$ 36,548	\$ 1,717	\$ 1,717	\$ 0	\$ (220,518)	\$ (31,119)	\$ *****
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (110,648)	\$ (31,468)	\$ (79,180)	\$ -15,677	\$ 152,091	\$ (36,324)	\$ (58,516)	\$ (25,798)	\$ (30,716)	\$ (184,500)	\$ (1,627)	\$ *****
Fund Balance - Beginning					243,815			145,970			635,856	
Fund Balance - End of Year	\$ (31,468)			\$ 395,816			\$ 120,372			\$ 632,229		

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2006

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
OPERATING REVENUES:		
Charges for Services	\$ 398,520	\$ 0
Penalties	7,409	0
Interest Income & Misc.	33,195	1,872
Charges for Services from Other Funds	0	24,900
TOTAL REVENUES	\$ 439,124	\$ 26,720
Operating Expenses	\$ 115,497	\$ 0
Administration	120,345	0
Other:		
Depreciation	104,759	0
Amortization	6,664	0
Interest Expense	137,228	0
Public Works	0	23,840
TOTAL OPERATING EXPENSES	\$ 484,493	\$ 28,150
NET INCOME BEFORE OPERATING TRANSFERS	\$ (45,369)	\$ (1,430)
Transfers from Other Funds	\$ 0	\$ 18,283
Transfers from Component Units	175,517	0
NET INCOME	\$ 130,148	\$ 16,853
RETAINED EARNINGS/FUND BALANCE BEGINNING OF YEAR	1,631,288	35,817
RETAINED EARNINGS/FUND BALANCE END OF YEAR	\$1,761,436	\$ 18,964

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED MARCH 31, 2006

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 130,148	\$ 16,853
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 104,759	\$ 5,304
Amortization	6,664	0
(Increase) Decrease in Int. Rec.	(170)	0
(Increase) Decrease in Accts. Rec.	(3,441)	0
(Increase) Decrease in Prepaid Exp.	(3,045)	(4,314)
Increase (Decrease) in Accts. Payable	1,267	45,655
Increase (Decrease) in Accrued Exp.	(3,807)	0
	\$ <u>102,227</u>	\$ <u>46,645</u>
Cash Flows from Operating Activities	\$ 232,375	\$ 63,498
CASH FLOWS FROM CAPITAL & REALTING FINANCING:		
Capital Expenditures	\$ (208,426)	\$ (80,003)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of Bonds Payable	\$ (145,000)	\$ 0
Increase (Decrease) in Cash or Cash Equivalents	\$ (121,051)	\$ (16,505)
Cash and Cash Equivalents Beginning of Year	<u>831,248</u>	<u>16,505</u>
CASH AND CASH EQUIVALENTS END OF YEAR	\$ <u>710,197</u>	\$ <u>0</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES (CONTINUED)  
YEAR ENDED MARCH 31, 2006

Proprietary Fund Types

	<u>Enterprise</u>	<u>Internal Service</u>
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the Year for:

Interest	<u>\$141,035</u>	<u>\$ 0</u>
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DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral  
part of the financial statements.



VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

<u>Blended Component Units Reported with the Primary Government</u>	<u>Brief Description and Relationship to the Village</u>	<u>Reporting Funds</u>
Webberville Bldg. Auth. (WBA)	Charged with responsibility of building and financing Repairs and major Improvements to the Village Hall and library. Village Council members serve as Trustees.	Webberville Bldg. Authority Fund (Capital Projects Fund)
Cultural Center Bldg.	Used to set aside Monies for repairs and maintenance and improvements to the Webberville Cultural Center. Village Council Members serve as trustees.	Cultural Center Bldg. Expense Fund (Capital Projects Fund)

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPONENT UNITS

<u>Discretely Reported Component Units</u>	<u>Brief Description of Activities and Relationship to the Village</u>
Downtown Develop. Auth.	Used for the administration of The Authority and planning of Improvements in the downtown District. Financing for DDA Operations was provided by the General Fund. Village Council Members serve as trustees.

FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

GOVERNMENT FUND

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Village in a trustee capacity or as an agency for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All government funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (Net Total Assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decrease (expenses) in net total assets.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LIABILITIES (CONTINUED)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Equipment (Internal Service Fund)	5-10 years
Fixed Assets (Enterprise Funds)	25-75 years

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Discretely reported component unit, (The DDA), uses the modified accrual basis of accounting.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and The discretely presented component unit.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

CASH AND INVESTMENTS

Investments are stated at cost or amortized cost, which approximates market.

Cash includes amounts in demand deposits.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

Short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions occurring between individual funds for goods provided or services rendered are also classified as "due to other funds" or "due from other funds" on the balance sheet.

Short-term interfund loans between the primary government and discretely presented component units are classified as "due from primary government" and "due from component unit" or "due to primary government" and "due to component unit".

RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPENSATION ABSENCES

The Village allows employees seven days of sick time per year, which cannot be accumulated beyond one year. Extended sick time is covered under a disability insurance policy through Shenandoah Life Insurance Company of which the Village pays 100% of the premiums. Earned vacation time is required to be used within the year.

No liability is incurred at March 31, 2006, as it is less than one year's liability.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

POST-EMPLOYMENT HEALTH CARE BENEFITS

Cobra Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. There are no participants in this program as of March 31, 2006.

Retiree Benefits

The Village pays 100% of health insurance coverage for a one year period of time for any full-time employees who retires. As of March 31, 2006, the Village has no one collecting benefits under this plan.

LONG-TERM OBLIGATIONS

The portion of long-term debt expected to be financed from expendable available financial resources is recognized as a liability of a governmental fund when due. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants. Reserves represent those portions of fund equity not appropriable for expenditures.

BOND DISCOUNTS/ISSUANCE COSTS

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the terms of the bond using the straight-line method.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.



VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

Comparative (i.e. presentation of prior year totals by fund type- data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on June 30, and payable on October 20. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 9.6453 mills for governmental services, 0.9628 mills for drain improvement, and 2.5919 mills for the Municipal Street Fund.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance	<u>Primary Government</u>		Balance
	<u>3-31-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>3-31-06</u>
Building & Land	\$1,421,322	\$ 0	\$ 0	\$1,421,322
Office Equipment	61,651	3,760	0	65,411
Police Equipment	10,598	0	0	10,598
DPW Equipment	191,508	0	0	191,508
Other Fixt. & Equip.	865	0	0	865
	<u>\$1,685,944</u>	<u>\$ 3,760</u>	<u>\$ 0</u>	<u>\$1,689,704</u>

There are no general fixed assets for component units.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE B - CHANGES IN GENERAL FIXED ASSETS (CONTINUED)

A summary of proprietary fund type property, plant and equipment at March 31, 2006, is as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Utility Plant	\$6,006,016	\$ 0
DPW Equipment	<u>0</u>	<u>221,501</u>
	\$6,006,016	\$ 221,501
Less: Accum. Deprec.	(1,788,912)	(144,343)
NET	<u>\$4,217,104</u>	<u>\$ 77,158</u>

Depreciation expense for the year ended March 31, 2006 is \$110,063.

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight line method using lives of 25 to 75 years.

NOTE C - WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WASTE AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consist of serial bonds which are payable on November 1, from 1994 through 2005 and terms bonds of which \$1,145,000 matures on November 1, 2001 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One sixth of monthly Water and Sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$2,060,000 at March 31, 2006.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

Annual debt service requirement to maturity for the Water and Wastewater Revenue and Refunding Bonds, Series 1994, including interest of \$902,840, are as follows:

Fiscal Year Ending <u>March 31,</u>	<u>Amount</u>
2007	\$ 286,900
2008	282,135
2009	277,055
2010	271,660
2011	260,950
Thereafter	<u>1,584,140</u>
	<u>\$2,962,840</u>

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local units shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the funds have been shown on a line item basis. The approved budgets of the Village for these funds were adopted to the line item level.

<u>Primary Gov't Funds</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General Funds:			
Legislative	\$ 13,122	\$ 13,275	\$ 153
Administration	69,567	79,086	9,519
Police	286,835	291,569	4,734
Utilities	51,208	54,604	3,396
Major Street Fund:			
Administration	4,700	7,856	3,156
Traffic Lights	945	1,015	70
Local Street:			
Administration	1,976	7,437	5,461
Sidewalk:			
Professional Fees	11,102	18,204	7,102

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE E - INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due From Component Unit</u>	<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due to Primary Gov't</u>
General	\$1,338	\$ 0	General	\$ 136	\$ 0
Special Rev.	705	0	Special Rev.	569	0
			Tax	906	0
Payroll	0	0	Misc.	432	0
	<u>\$2,043</u>	<u>\$ 0</u>		<u>\$2,043</u>	<u>\$ 0</u>

NOTE F - BUILDING AUTHORITY BONDS

The Webberville Building Authority issued \$350,000 of bonds in 1991, for the construction of a village library and hall. These bonds bear interest ranging from 6.4% to 7.25% per annum. Bonds maturing after May 1, 2002 are subject to redemption prior to maturity at the option of the authority with premium. The bonds are secured by the full faith and credit of the Village. The bonds are further detailed in a separate schedule. The balance of these bonds is \$190,000 at March 31, 2006.

NOTE G - BUILDING AUTHORITY BONDS

Annual debt service to maturity, including interest at \$45,590, is as follows:

FISCAL YEAR ENDING  
MARCH 31,

	<u>Amount</u>
2007	\$ 37,240
2008	35,512
2009	33,700
2010	36,888
2011	34,712
Thereafter	<u>37,538</u>
	<u>\$215,590</u>

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2006

NOTE H - CASH AND CERTIFICATES OF DEPOSIT

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated for statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws all for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

The primary government's deposits at March 31, 2006, consisted of cash and certificates of deposit at one financial institution:

<u>Institution A</u>	<u>Amount</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
Cash	\$ 110,840	\$100,000	\$ 10,840
Certificates of Deposit/Savings	<u>1,254,420</u>	<u>100,000</u>	<u>1,154,420</u>
	<u>\$1,365,260</u>	<u>\$200,000</u>	<u>\$1,165,260</u>

The carrying amount of deposits for the DDA, a discretely presented component unit, was \$299,747 and the bank balance was \$79,682. Of the bank balance \$100,000 was covered by Federal Depository Insurance.

The DDA's deposits at March 31, 2006, consisted of cash at one financial institution:

	<u>Amount</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
Cash	\$ <u>299,747</u>	<u>\$100,000</u>	\$ <u>199,747</u>

Cash and cash equivalents caption on the combined balance sheet include \$27 in imprest cash.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2006

NOTE I - INTERFUND OPERATING TRANSFERS

<u>Fund</u>	<u>Transfer From Other Funds</u>	<u>Transfer From Component Units</u>	<u>Transfer From Primary Government</u>
General	\$ 0	\$ 20,000	\$ 0
Local Street	30,000	0	0
Drains	40,000	14,115	0
Water	0	105,000	0
Bond Int. & Redempt.	0	70,517	0
DDA	0	0	193,513
Sidewalk	20,000	0	0
Major	10,000	0	0
Motor Vehicle Pool	18,283	0	0
	<u>\$118,283</u>	<u>\$209,632</u>	<u>\$193,513</u>

<u>Unit</u>	<u>Transfers To Other Funds</u>	<u>Transfer To Primary Government</u>	<u>Transfer To Component</u>
Municipal Street	\$ 0	\$ 0	\$ 0
General	0	20,000	141,401
DDA	0	0	0
Major Street	40,000	0	0
Motor Vehicle Pool	0	0	0
Local Street	0	0	0
Water	0	105,000	0
Bond Int. Redemp.	0	70,517	0
Drain	0	14,115	14,115
Municipal Street	60,000	0	37,997
New Equipment	18,283	0	0
	<u>\$118,283</u>	<u>\$209,632</u>	<u>\$193,513</u>

NOTE J - RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contribution to be \$10,970 for the year ended March 31, 2006. Each year the quarterly contribution is recalculated based on the actual wages paid to employees during the prior fiscal year. During the year, \$9,018 was paid to MERS. The pension covered \$96,314 of the Village's total payroll of \$140,166. At March 31, 2006, \$1,952 was still due MERS for March, 2006.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE K - CHANGES IN LONG-TERM LIABILITIES

During the year ended March 31, 2006, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>April 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>March 31</u>
Bond - WBA	\$170,000	\$ 0	\$ 25,000	\$145,000
Loan Payable -				
DDA	<u>484,846</u>	<u>0</u>	<u>0</u>	<u>484,846</u>
	<u>\$654,846</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$629,846</u>

The current maturities on long-term debt are recorded as a liability in the fund that is responsible for the payment.

There is general long-term debt for component units of \$484,846.

During the fiscal year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of all draws shall not exceed \$1,075,000. Interest is payable on May 1, 2004 and on each November 1, and May 1, thereafter. Principal repayments in the amount of \$59,722 shall commence May 1, 2006. The interest rate is determined by subsequent determination of the principal stated by bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime rate plus ½ percentage point and the interest rate for non-taxable interest is 4.09%.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE K - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

The outstanding principal at March 31, 2006, is as follows:

\$329,695.36	6.00%
<u>155,150.75</u>	4.09%
<u>\$484,846.11</u>	

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 26,936.88	\$ 26,119.36	\$ 53,056.24
2007	26,936.88	24,647.67	51,584.55
2008	26,936.88	23,240.50	50,177.38
2009	26,936.88	21,704.30	48,641.18
2010	26,936.88	20,232.63	47,169.51
Thereafter	<u>350,161.71</u>	<u>129,197.81</u>	<u>479,359.52</u>
	<u>\$484,846.11</u>	<u>\$245,142.27</u>	<u>\$729,988.38</u>

During the year the Village purchased through the Internal Service Motor Pool Fund a 2006 Chevrolet Dump Truck. The purchased price was \$80,003.00. The Village paid \$40,000 down with remaining \$40,003 due by November, 2007.

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
11-08-06	\$ 19,450	\$ 2,268	\$21,718
11-08-07	<u>20,553</u>	<u>1,635</u>	<u>22,188</u>
	<u>\$ 40,003</u>	<u>\$ 3,903</u>	<u>\$43,906</u>



VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE L - SEGMENT INFORMATION - ENTERPRISE FUNDS

The government maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended March 31, 2006, is presented below:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$ 175,284	\$ 263,840	\$ 439,124
Depreciation Expense	53,324	51,435	104,759
Operating Income (Loss)	(86,495)	41,126	(45,369)
Operating Transfers from Component Units	130,386	45,131	175,517
Net Income (Loss)	43,891	86,257	130,148
Property, Plant & Equipment Additions	128,301	80,125	208,426
Net Working Capital	(49,977)	25,958	(24,019)
Total Assets	2,374,973	2,710,041	5,085,014
Bonds Payable	1,324,900	735,100	2,060,000
Total Equity	1,029,511	1,938,331	2,967,842

The Village reserves assets to comply with the reserve requirements of the various bonds.

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE M - RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Village has purchased commercial insurance and participates in the Michigan Municipal League for claims relating to all insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE N - SIDEWALK IMPROVEMENTS SPECIAL ASSESSMENTS

The Village of Webberville made sidewalk improvements to various properties. Part of the cost will be paid by the property owners as a special assessment. The homeowners will be assessed for each year from 2003 to 2007 for a portion of the principal and interest at 2%. The total principal to be assessed will be \$46,461.88. As of March 31, 2006, the remaining principal balance is \$17,044.00.

The Village's accounting policy is to recognize these revenues in the year received.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 8,522	\$ 515	\$ 9,027
2007	<u>8,522</u>	<u>512</u>	<u>9,034</u>
	<u>\$17,044</u>	<u>\$1,027</u>	<u>\$18,071</u>

VILLAGE OF WEBBERVILLE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2006

NOTE N - SIDEWALK IMPROVEMENTS SPECIAL ASSESSMENTS (CONTINUED)

During the year the Village made additional sidewalk improvements. The homeowners will be assessed each year from 2006 to 2010 for a portion of principal and interest at 2%. As of March 31, 2006 principal and interest payments were due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 6,170	\$ 0	\$ 6,170
2007	6,170	494	6,664
2008	6,170	370	6,540
2009	6,170	247	6,417
2010	6,170	123	6,293
	<u>\$30,850</u>	<u>\$ 1,234</u>	<u>\$32,084</u>

FINANCIAL STATEMENTS

OF

INDIVIDUAL FUNDS

# **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF WEBBERVILLE  
GENERAL FUND  
BALANCE SHEETS - MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$157,347	\$207,036
Utility Customer Rec.	11,797	8,451
A/R - Property Tax -		
Personal Delinquent	13,443	2,917
Due from Other Funds	1,338	1,304
Prepaid Insurance	15,987	0
	<u>\$199,912</u>	<u>\$219,708</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 82,172	\$ 75,010
Accrued Interest Payable	5,029	5,620
Bonds Payable	25,000	20,000
Due to Other Funds	136	35
TOTAL LIABILITIES	<u>\$112,337</u>	<u>\$100,665</u>
 Fund Balance - General	 <u>87,575</u>	 <u>119,043</u>
	<u>\$199,912</u>	<u>\$219,708</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
GENERAL FUND  
ANALYSIS OF CHANGES IN FUND BALANCES  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Fund Balances at April 1,	\$119,043	\$112,159
Add: Excess of Revenues over Expenditures (Expenditures over Revenues)	<u>(31,468)</u>	<u>6,884</u>
FUND BALANCE AT MARCH 31,	<u>\$ 87,575</u>	<u>\$119,043</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>
	Amended Budget	Actual	Actual (Over) Under Budget Actual
REVENUES:			
Taxes:			
Current Taxes	\$474,669	\$487,935	\$ (13,266)
Admin. Fees	<u>6,702</u>	<u>6,861</u>	<u>(159)</u>
TOTAL TAXES	\$481,371	\$494,796	\$ (13,425)
Fees & Permits:			
Trailer Park & Other Fees	\$ 703	\$ 703	\$ 0
Bldg. Permits, Inspection Fees, Fines & Other Fees	<u>15,145</u>	<u>15,087</u>	<u>58</u>
TOTAL FEES & PERMITS	\$ 15,848	\$ 15,790	\$ 58
Intergov't Revenues:			
State of Michigan:			
Sales Tax	<u>146,104</u>	<u>146,104</u>	<u>0</u>
TOTAL INTERGOV'T REV.	\$146,104	\$146,104	\$ 0
Charges for Services:			
Refuse Coll.	\$ 48,489	\$ 48,935	\$ (446)
Other Serv.	<u>177</u>	<u>177</u>	<u>0</u>
TOTAL CHARGES FOR SERVICES	\$ 48,666	\$ 49,112	\$ (446)
Miscellaneous:			
Transfers from Other Funds for Serv.	\$ 29,500	\$ 29,500	\$ 0
Interest Earned	1,590	6,935	(5,345)
Misc. Income	6,769	7,759	(990)
Cable Franchise Fee	4,969	4,969	0
Liquor Control/ Ordinance Fines	<u>1,877</u>	<u>1,861</u>	<u>16</u>
TOTAL MISCELLANEOUS	\$ 44,705	\$ 51,024	\$ (6,319)

The accompanying notes are an integral  
part of the financial statements.



VILLAGE OF WEBBERVILLE  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
TRANSFERS FROM				
COMPONENT UNITS	\$ 20,000	\$ 20,000	\$ 0	\$ 35,000
TOTAL REVENUES	<u>\$756,694</u>	<u>\$776,826</u>	<u>\$ (20,132)</u>	<u>\$791,171</u>
EXPENDITURES:				
Legislative	\$ 13,122	\$ 13,275	\$ (153)	\$ 10,650
General Serv. Adm.	69,567	79,086	(9,519)	65,897
Police	286,835	291,569	(4,734)	278,689
Fire/Bld. & Zoning	33,335	32,647	688	38,469
Dept. of Public Works	66,034	61,314	4,720	72,829
Street Lights/Util.	51,208	54,604	(3,396)	53,863
Refuse Collection	31,365	31,365	0	28,848
Parks & Recreation	6,962	6,962	0	3,298
Ins. & Bonding	34,869	18,882	15,987	15,643
Long-Term Debt	32,780	37,189	(4,409)	33,599
Transfers to Other				
Funds	100,000	40,000	60,000	33,575
Transfers to Component				
Units	<u>141,265</u>	<u>141,401</u>	<u>(136)</u>	<u>149,127</u>
TOTAL EXPENDITURES	<u>\$867,342</u>	<u>\$808,294</u>	<u>\$ 59,048</u>	<u>\$784,287</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
GENERAL FUND  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
<b>LEGISLATIVE:</b>				
Elected Officials				
Salaries	\$ 13,122	\$ 13,275	\$ (153)	\$ 10,650
Election Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LEGISLATIVE	\$ 13,122	\$ 13,275	\$ (153)	\$ 10,650
<b>GENERAL SERV. ADM:</b>				
Admin. Salaries	\$ 27,816	\$ 33,165	\$ (5,349)	\$ 29,802
Office Supplies	3,330	3,654	(324)	2,433
Postage	2,496	2,496	0	2,192
Legal Publishing	2,561	2,638	(77)	2,068
Maint. Supplies	9,068	9,068	0	8,569
Miscellaneous Expense	293	293	0	0
Legal & Prof./Audit	19,653	23,360	(3,707)	14,870
Tax Roll Prep.	315	315	0	366
Telephone	2,042	2,105	(63)	1,968
Equipment Maint.	334	333	1	1,789
Training	250	250	0	250
Memberships	<u>1,409</u>	<u>1,409</u>	<u>0</u>	<u>1,590</u>
TOTAL GENERAL SERV.				
ADMINISTRATION	\$ 69,567	\$ 79,086	\$ (9,519)	\$ 65,897
<b>POLICE:</b>				
Contract Services.	\$286,835	\$291,569	\$ (4,734)	278,689
TOTAL POLICE	\$286,835	\$291,569	\$ (4,734)	\$278,689
<b>FIRE:</b>				
Fire Hydrant Rent	\$ 2,090	\$ 2,090	\$ 0	\$ 2,508
Bldg. Improvement & Zoning	<u>31,245</u>	<u>30,557</u>	<u>688</u>	<u>35,961</u>
TOTAL FIRE	\$ 33,335	\$ 32,647	\$ 688	\$ 38,469

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
GENERAL FUND  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>
	<u>Amended</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
	<u>Budget</u>			
DEPT. OF PUBLIC WORKS:				
Salaries - Reg.	\$ 28,008	\$ 28,580	\$ (572)	\$ 29,964
Social Security	4,153	2,186	1,967	4,439
Workmen's Comp.	1,217	802	415	1,302
Hospitalization	19,192	19,571	(379)	20,532
Retirement	6,410	3,255	3,155	6,857
MESA Unemployment	133	0	133	142
Truck Rental	5,479	5,479	0	8,295
Clothing	<u>1,442</u>	<u>1,441</u>	<u>1</u>	<u>1,298</u>
TOTAL DEPT. OF PUBLIC WORKS	\$ 66,034	\$ 61,314	\$ 4,720	\$ 72,829
STREET LIGHTS/UTIL.	\$ 51,208	\$ 54,604	\$ (3,396)	\$ 53,863
REFUSE COLLECTION	31,365	31,365	0	28,848
PARKS & RECREATION	6,962	6,962	0	3,298
INSURANCE & BONDING:				
Employee Bonding	\$ 34,869	\$ 18,882	\$ 15,987	\$ 15,643
TOTAL INSURANCE & BONDING	\$ 34,869	\$ 18,882	\$ 15,987	\$ 15,643
LONG-TERM DEBT:				
Interest	\$ 0	\$ 12,189	\$ 0	\$ 13,599
Principal	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
TOTAL LONG-TERM PAYMENTS	\$ 32,780	\$ 37,189	\$ (4,409)	\$ 33,599
TRANSFERS TO COMPONENT UNITS	\$141,265	\$141,401	\$ (136)	\$149,127
TRANSFER TO OTHER FUNDS	<u>100,000</u>	<u>40,000</u>	<u>60,000</u>	<u>33,375</u>
TOTALS	<u>\$867,342</u>	<u>\$808,294</u>	<u>\$ 59,048</u>	<u>\$784,287</u>

The accompanying notes are an integral  
part of the financial statements.

## SPECIAL REVENUE FUNDS

### MAJOR STREET FUND

Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

### LOCAL STREET FUND

Local Street Fund is used to receive all Local Street monies paid to the Village by the State, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

### MUNICIPAL STREET TAX FUND

Municipal Street Tax Fund is used to account for taxes segregated for street oriented operations.

### DRAIN FUND

Drain Fund is used to account for taxes segregated for drain expenditures.

VILLAGE OF WEBBERVILLE  
SPECIAL REVENUE FUND  
COMBINING BALANCE SHEET  
MARCH 31, 2006 AND 2005

	2006					2005
	Major Street Fund	Local Street Fund	Municipal Street Tax Fund	Drain Fund	Combined	Combined
Cash	\$173,316	\$73,516	\$41,618	\$102,517	\$390,967	\$242,825
Due from Other Funds	0	1,919	705	0	2,624	0
Acc. Receiv. Delinquent Personal	0	0	3,459	1,324	4,783	1,060
	<u>\$173,316</u>	<u>\$75,435</u>	<u>\$45,782</u>	<u>\$103,841</u>	<u>\$398,374</u>	<u>\$243,885</u>

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ 1,919	\$ 0	\$ 0	\$ 569	\$ 2,488	\$ 0
Accts. Pay.	70	0	0	0	70	70
	<u>\$ 1,989</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 569</u>	<u>\$ 2,558</u>	<u>\$ 70</u>
 Fund Bal.	 \$171,327	 \$75,435	 \$45,782	 \$103,272	 \$395,816	 \$243,885
	<u>\$173,316</u>	<u>\$75,435</u>	<u>\$45,782</u>	<u>\$103,841</u>	<u>\$398,374</u>	<u>\$243,885</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

	2006					2005
	<u>Major Street</u>	<u>Local Street</u>	<u>Municipal Street</u>	<u>Drain Fund</u>	<u>Combined</u>	<u>Combined</u>
REVENUES:						
Property						
Taxes	\$ 0	\$ 0	\$130,185	\$48,455	\$178,640	\$181,118
Motor Vehicle						
Hwy. Funds	73,526	25,110	0	0	98,636	118,013
Int. Earned						
& Misc.	<u>7,338</u>	<u>3,901</u>	<u>2,170</u>	<u>2,642</u>	<u>16,051</u>	<u>1,741</u>
TOTAL REV.	\$80,864	\$ 29,011	\$132,355	\$51,097	\$293,327	\$300,872
EXPENDITURES:						
Wages	\$ 4,850	\$ 1,785	\$ 0	\$ 0	\$ 6,635	\$ 13,034
Social Sec.	371	137	0	0	508	1,530
Insurance	3,430	318	0	0	3,748	6,602
Retirement	552	203	0	0	755	2,487
Workmen's						
Comp.	257	29	0	0	286	595
Admin.	7,856	7,437	0	0	15,293	7,901
Equip. Usage	5,924	2,372	0	0	8,296	13,114
Tree Trimming	848	125	0	0	973	2,655
Drains	1,475	1,522	14,771	43,509	61,277	68,987
Supplies	3,000	1,500	0	0	4,500	8,400
Gravel	0	0	0	0	0	73
Road Maint.	2,892	4,908	0	0	7,800	95,156
Salt & Chlor.	3,282	3,282	0	0	6,564	6,234
Striping	0	0	0	0	0	1,005
Signs & Posts	374	208	0	0	582	0
Traffic Lights	1,015	0	0	0	1,015	803
Audit	0	840	0	0	840	1,312
Legal & Prof.	<u>926</u>	<u>0</u>	<u>0</u>	<u>3,330</u>	<u>4,256</u>	<u>9,300</u>
TOTAL						
EXPEND.	\$37,052	\$ 24,666	\$ 14,771	\$46,839	\$123,328	\$239,188

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND 2005

	2006				2005	
	<u>Major Street</u>	<u>Local Street</u>	<u>Municipal Street</u>	<u>Fund</u>	<u>Combined</u>	<u>Combined</u>
EXCESS OF REV. OVER (UNDER) EXPEND.	\$ 43,812	\$ 4,345	\$117,584	\$ 4,258	\$169,999	\$ 61,684
OTHER FINANCING SOURCES:						
Transfers In						
Other						
Funds	\$ 10,000	\$ 30,000	\$ 0	\$ 40,000	\$ 80,000	\$ 73,375
Transfers Out						
Other						
Funds	0	0	(60,000)	0	(60,000)	(80,000)
Transfers In						
Component						
Unit	0	0	0	14,115	14,115	14,886
Transfers Out						
Component						
Units	0	0	(37,998)	(14,115)	(52,113)	(54,960)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ 53,812	\$ 34,345	\$ 19,586	\$ 44,258	\$152,001	\$ 14,985
Fund Balance						
4-1-05	<u>117,515</u>	<u>41,090</u>	<u>26,196</u>	<u>59,014</u>	<u>243,815</u>	<u>228,830</u>
FUND BALANCE						
3-31-06	<u>\$171,327</u>	<u>\$ 75,435</u>	<u>\$ 45,782</u>	<u>\$103,272</u>	<u>\$395,816</u>	<u>\$243,815</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
MAJOR STREET FUND  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>173,316</u>	\$ <u>117,585</u>
	\$ <u>173,316</u>	\$ <u>117,585</u>

LIABILITIES AND FUND BALANCES

Due to Other Funds	\$ 1,919	\$ 70
Accounts Payable	70	0
Fund Balances	<u>171,327</u>	<u>117,515</u>
	\$ <u>173,316</u>	\$ <u>117,585</u>

The accompanying notes are an integral  
part of the financial statements.



VILLAGE OF WEBBERVILLE  
MAJOR STREET FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u>		Actual	
	<u>Budget</u>	<u>Actual</u>	(Over)	
			Under	
			<u>Budget</u>	<u>Actual</u>
REVENUES:				
Motor Vehicle				
Hwy. Funds	\$ 78,218	\$ 73,526	\$ 4,692	\$ 88,013
Interest Earned &				
Other	769	7,338	(6,569)	817
TOTAL REVENUES	\$ 78,987	\$ 80,864	\$ (1,877)	\$ 88,830
EXPENDITURES:				
Wages	\$ 6,396	\$ 4,850	\$ 1,546	\$ 8,042
Social Security	880	371	509	1,143
Insurance	3,619	3,430	189	4,651
Retirement	1,248	552	696	1,729
Workmen's Comp.	308	257	51	397
Administration	4,700	7,856	(3,156)	5,838
Equipment Useage	5,924	5,924	0	10,071
Tree Trimming	848	848	0	1,811
Drains	1,475	1,475	0	0
Supplies	3,000	3,000	0	5,800
Gravel	0	0	0	73
Road Maintenance	2,892	2,892	0	23,475
Salt & Chloride	3,282	3,282	0	3,117
Striping	0	0	0	1,005
Legal & Professional	927	926	1	1,391
Signs & Posts	374	374	0	0
Traffic Lights	945	1,015	(70)	803
Audit	0	0	0	640
TOTAL EXPENDITURES	\$ 36,818	\$ 37,052	\$ (234)	\$ 69,986
EXCESS OF REVENUES				
OVER (UNDER)				
EXPENDITURES	\$ 42,169	\$ 43,812	\$ (1,643)	\$ (18,844)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
 MAJOR STREET FUND  
 STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)  
 YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>	Actual (Over) Under Budget	<u>2005</u>
	<u>Amended Budget</u>	<u>Actual</u>		<u>Actual</u>
OTHER FINANCING SOURCES:				
Transfer from Other Funds	\$ 10,000	\$ 10,000	\$ 0	\$ 0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ 52,169	\$ 53,812	\$ (1,643)	\$ 18,844
Fund Balance at April 1,		<u>117,515</u>		<u>98,671</u>
FUND BALANCE AT MARCH 31,		\$171,327		\$117,515

The accompanying notes are an integral  
 part of the financial statements.

VILLAGE OF WEBBERVILLE  
LOCAL STREET FUND  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$73,516	\$41,090
Due from Other Funds	<u>1,919</u>	<u>0</u>
	<u>\$75,435</u>	<u>\$41,090</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ <u>0</u>	\$ <u>0</u>
TOTAL LIABILITIES	\$ <u>0</u>	\$ <u>0</u>
 Fund Balance	 <u>75,435</u>	 <u>41,090</u>
	<u>\$75,435</u>	<u>\$41,090</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
LOCAL STREET FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
	<u>Budget</u>			
REVENUES:				
Motor Vehicle				
Hwy Funds	\$ 25,282	\$ 25,110	\$ 172	\$ 30,000
Interest Earned &				
Other	340	3,901	(3,561)	293
TOTAL REVENUES	\$ 25,622	\$ 29,011	\$ (3,389)	\$ 30,293
EXPENDITURES:				
Wages	\$ 4,781	\$ 1,785	\$ 2,996	\$ 4,992
Social Security	368	137	231	387
Insurance	1,869	318	1,551	1,951
Retirement	726	203	523	758
Workmen's Comp.	189	29	160	198
Administration	1,976	7,437	(5,461)	2,063
Equipment Useage	2,372	2,372	0	0
Tree Trimming	125	125	0	844
Drains	1,522	1,522	0	122
Supplies	1,500	1,500	0	2,600
Gravel	0	0	0	0
Road Maintenance	4,908	4,908	0	71,681
Salt & Chloride	3,283	3,282	1	3,117
Signs & Posts	209	208	1	0
Legal & Prof.	0	0	0	7,759
Audit	840	840	0	672
TOTAL EXPENDITURES	\$ 24,668	\$ 24,666	\$ 2	\$100,187
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ 954	\$ 4,345	\$ (3,391)	\$ (69,894)
OTHER FINANCING SOURCES:				
Transfers from				
Other Funds	30,000	30,000	0	40,000
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER SOURCES	\$ 30,954	\$ 34,345	\$ (3,391)	\$ (29,894)
Fund Balance at				
April 1,		41,090		70,984
FUND BALANCE AT				
MARCH 31,		\$ 75,435		\$ 41,090

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
MUNICIPAL STREET FUND  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$41,618	\$25,423
A/R - Personal Property Tax	3,459	773
Due from Other Funds	<u>705</u>	<u>0</u>
	<u>\$45,782</u>	<u>\$26,196</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$45,782</u>	<u>\$26,196</u>
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The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
MUNICIPAL STREET TAX FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended</u>	<u>Actual</u>	<u>Actual</u> <u>(Over)</u> <u>Under</u> <u>Budget</u>	<u>Actual</u>
<b>REVENUES:</b>	<b>Budget</b>			
Property Taxes	\$ 127,499	\$ 130,185	\$ (2,686)	\$ 132,063
Interest Earned	<u>521</u>	<u>2,170</u>	<u>(1,649)</u>	<u>231</u>
TOTAL REVENUES	\$ 128,020	\$ 132,355	\$ (4,335)	\$ 132,294
<b>EXPENDITURES:</b>				
Ingham Co. Drain	\$ <u>20,000</u>	\$ <u>14,771</u>	\$ <u>5,229</u>	\$ <u>15,100</u>
TOTAL EXPENDITURES	\$ <u>20,000</u>	\$ <u>14,771</u>	\$ <u>5,229</u>	\$ <u>15,100</u>
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER)</b>				
EXPENDITURES	\$ 108,020	\$ 117,584	\$ (9,564)	\$ 117,194
<b>OTHER FINANCING SOURCES:</b>				
Transfers to Other				
Funds	\$ (60,000)	\$ (60,000)	\$ 0	\$ (80,000)
Transfers to				
Component Unit	<u>(43,000)</u>	<u>(37,998)</u>	<u>(5,002)</u>	<u>(40,074)</u>
	\$ (103,000)	\$ (97,998)	\$ (5,002)	\$ (120,074)
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER)</b>				
EXPENDITURES AND				
OTHER USES	\$ <u>5,020</u>	\$ 19,586	\$ <u>(14,566)</u>	\$ (2,880)
Fund Balance at April 1,		<u>26,196</u>		<u>29,076</u>
FUND BALANCE AT MARCH 31,		\$ <u>45,782</u>		\$ <u>26,196</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
DRAIN FUND  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$102,517	\$58,727
A/R - Delinquent Tax - Personal	<u>1,324</u>	<u>287</u>
	\$103,841	\$59,014

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ 569	\$ 0
Fund Balance	<u>103,272</u>	<u>59,014</u>
	\$103,841	\$59,014

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
DRAIN FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
REVENUES:				
Property Taxes	\$ 47,419	\$ 48,455	\$ (1,036)	\$ 49,055
Interest Earned	<u>501</u>	<u>2,642</u>	<u>(2,141)</u>	<u>400</u>
TOTAL REVENUES	\$ 47,920	\$ 51,097	\$ (3,177)	\$ 49,455
EXPENDITURES:				
Professional Services	\$ 3,330	\$ 3,330	\$ 0	\$ 150
Drains at Large	<u>43,510</u>	<u>43,509</u>	<u>1</u>	<u>53,765</u>
TOTAL EXPENDITURES	\$ 46,840	\$ 46,839	\$ 1	\$ 53,915
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,080	\$ 4,258	\$ (3,178)	\$ (4,460)
OTHER FINANCING SOURCES:				
Transfers from Other Funds	\$ 40,000	\$ 40,000	\$ 0	\$ 33,375
Transfers from Component Unit	0	14,115	(14,115)	14,886
Transfer (To) Component Unit	<u>(13,546)</u>	<u>(14,115)</u>	<u>569</u>	<u>(14,886)</u>
	\$ 26,454	\$ 40,000	\$ (13,546)	\$ 33,375
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 27,534	\$ 44,258	\$ (16,724)	\$ 28,915
Fund Balance at April 1,		<u>59,014</u>		<u>30,099</u>
FUND BALANCE AT MARCH 31,		<u>\$103,272</u>		<u>\$ 59,014</u>

The accompanying notes are an integral part of the financial statements.



## CAPITAL PROJECTS FUNDS

### NEW EQUIPMENT FUND

New Equipment Fund is used to segregate monies set aside from various fund contributions to finance the purchase of equipment which may be used by several funds.

### SIDEWALK FUND

The Sidewalk Fund is used to segregate monies set aside to finance the Village's portion of sidewalk construction.

### WEBBERVILLE BUILDING AUTHORITY (WBA)

The WBA is the successor organization to the Joint Building Authority. The WBA is charged with the responsibility of maintenance and payment of obligations for the hall and library.

VILLAGE OF WEBBERVILLE  
CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEETS  
MARCH 31, 2006 AND 2005

	2006				2005
	<u>New Equip Fund</u>	<u>Sidewalk Fund</u>	<u>Webberville Bldg. Authority</u>	<u>Combined</u>	<u>Combined</u>
Cash	\$41,346	\$40,988	\$6,987	\$ 89,321	\$145,970
Special					
Assmts.	<u>0</u>	<u>30,851</u>	<u>0</u>	<u>30,851</u>	<u>0</u>
	<u>\$41,346</u>	<u>\$71,839</u>	<u>\$6,987</u>	<u>\$120,172</u>	<u>\$145,970</u>
 Fund Bal.	 \$41,346	 \$71,839	 \$6,987	 \$120,172	 \$145,970
	<u>\$41,346</u>	<u>\$71,839</u>	<u>\$6,987</u>	<u>\$120,172</u>	<u>\$145,970</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
CAPITAL PROJECTS FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEARS ENDED MARCH 31, 2006 AND 2005

	2006			2005	
	<u>New Equip Fund</u>	<u>Sidewalk Fund</u>	<u>Webberville Bldg. Authority</u>	<u>Combined</u>	<u>Combined</u>
<b>REVENUES:</b>					
Special Assmts.	\$ 0	\$ 39,797	\$ 0	\$ 39,797	\$ 12,404
Int. & Misc.	<u>1,751</u>	<u>1,831</u>	<u>14</u>	<u>3,596</u>	<u>912</u>
TOTAL REVENUES	\$ 1,751	\$ 41,618	\$ 14	\$ 43,393	\$ 13,316
<b>EXPENDITURES:</b>					
Prof. Serv/Rep.	\$ 0	\$ 18,204	\$ 3,250	\$ 21,454	\$ 0
Capital Outlay	3,760	0	0	3,760	0
New Constr.	<u>0</u>	<u>45,694</u>	<u>0</u>	<u>45,694</u>	<u>9</u>
TOTAL EXPEND.	\$ 3,760	\$ 63,898	\$ 3,250	\$ 70,908	\$ 9
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	\$ (2,009)	\$ (22,270)	\$ (3,236)	\$ (27,515)	\$ 13,307
<b>Transfers to/from Other Funds</b>					
	( <u>18,283</u> )	<u>20,000</u>	<u>0</u>	<u>1,717</u>	<u>60,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	\$ (20,292)	\$ (2,270)	\$ (3,236)	\$ (25,798)	\$ 73,307
Fund Balance 4-1	<u>61,638</u>	<u>74,109</u>	<u>10,223</u>	<u>145,970</u>	<u>72,663</u>
FUND BALANCE AT 3-31	\$ <u>41,346</u>	\$ <u>71,839</u>	\$ <u>6,987</u>	\$ <u>120,172</u>	\$ <u>145,970</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
NEW EQUIPMENT FUND  
COMPARATIVE BALANCE SHEETS  
MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash	\$41,346	\$61,638

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$41,346</u>	<u>\$61,638</u>
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The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
NEW EQUIPMENT FUND  
STATEMENT OF REVENUE AND EXPENDITURES  
AND OF CHANGES IN FUND BALANCES  
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		Actual (Over) Under Budget	<u>2005</u>  Actual
	<u>Budget</u>	<u>Actual</u>		
REVENUES:				
Interest Income	\$ 216	\$ 1,751	\$ (1,535)	\$ 408
TOTAL REVENUES	\$ 216	\$ 1,751	\$ (1,535)	\$ 408
EXPENDITURES:				
Purchase of Equipment	\$ 3,760	\$ 3,760	\$ 0	\$ 0
TOTAL EXPENDITURES	\$ 3,760	\$ 3,760	\$ 0	\$ 0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,544)	\$ (2,009)	\$ (1,535)	\$ 408
Transfers to Other Funds	(18,283)	(18,283)	0	20,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ (21,827)	\$ (20,292)	\$ (1,535)	\$ 20,408
Fund Balance at April 1,		61,638		41,230
FUND BALANCE AT MARCH 31,		\$ 41,346		\$ 61,638

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
SIDEWALK FUND  
COMPARATIVE BALANCE SHEETS  
MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash	\$40,989	\$74,109
Accts. Rec. Sidewalk Assessments	30,851	0
	<u>\$71,839</u>	<u>\$74,109</u>
 Fund Balance	 \$71,839	 \$74,109
	<u>\$71,839</u>	<u>\$74,109</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
SIDEWALK FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Actual (Over) Under Budget	<u>Actual</u>
<b>REVENUES:</b>				
Special Assessments	\$ 1,843	\$ 39,797	\$ (37,954)	\$ 12,404
Interest & Misc.	<u>264</u>	<u>1,831</u>	<u>(1,567)</u>	<u>484</u>
<b>TOTAL REVENUES</b>	<b>\$ 2,107</b>	<b>\$ 41,628</b>	<b>\$ (39,521)</b>	<b>\$ 12,888</b>
<b>EXPENDITURES:</b>				
New Construction	\$ 45,694	\$ 45,694	\$ 0	\$ 9
Professional Fees	<u>11,102</u>	<u>18,204</u>	<u>(7,102)</u>	<u>0</u>
	<b>\$ 56,796</b>	<b>\$ 63,898</b>	<b>\$ (7,102)</b>	<b>\$ 9</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<b>\$ (54,689)</b>	<b>\$ (22,270)</b>	<b>\$ (32,419)</b>	<b>\$ 12,879</b>
<b>Transfers from Other Funds</b>				
	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>40,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES</b>				
	<b>\$ (34,689)</b>	<b>\$ (2,270)</b>	<b>\$ (32,419)</b>	<b>\$ 52,879</b>
<b>Fund Balance at April 1,</b>		<u><b>74,109</b></u>		<u><b>21,230</b></u>
<b>FUND BALANCE AT MARCH 31,</b>		<b>\$ <u>71,839</u></b>		<b>\$ <u>74,109</u></b>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WEBBERVILLE BUILDING AUTHORITY  
COMPARATIVE BALANCE SHEETS  
MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>6,987</u>	\$ <u>10,223</u>
	\$ <u>6,987</u>	\$ <u>10,223</u>
 Fund Balance	 \$ <u>6,987</u>	 \$ <u>10,223</u>
	\$ <u>6,987</u>	\$ <u>10,223</u>

The accompanying notes are an integral  
part of the financial statements.



VILLAGE OF WEBBERVILLE  
WEBBERVILLE BUILDING AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u>		<u>Actual</u>	
	<u>Budget</u>	<u>Actual</u>	<u>(Over)</u> <u>Under</u> <u>Budget</u>	<u>Actual</u>
REVENUES:				
Interest Income	\$ <u>0</u>	\$ <u>14</u>	\$ <u>(14)</u>	\$ <u>20</u>
TOTAL REVENUES	\$ <u>0</u>	\$ <u>14</u>	\$ <u>(14)</u>	\$ <u>20</u>
EXPENDITURES:				
Building Repairs	\$ <u>0</u>	\$ <u>3,250</u>	\$ <u>(3,250)</u>	\$ <u>0</u>
TOTAL EXPENDITURES	\$ <u>0</u>	\$ <u>3,250</u>	\$ <u>(3,250)</u>	\$ <u>0</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ <u>0</u>	\$ <u>(3,236)</u>	\$ <u>3,236</u>	\$ <u>20</u>
Fund balance at April 1,		<u>10,223</u>		<u>10,203</u>
FUND BALANCE AT MARCH 31,		\$ <u>6,987</u>		\$ <u>10,223</u>

The accompanying notes are an integral  
part of the financial statements.

## ENTERPRISE FUND

Water and Sewer fund - to account for the provision of Water and Sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration (utility director), operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>			<u>2005</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Totals</u>
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash	\$ 4,581	\$ 58,605	\$ 63,186	\$ 176,720
Cert. of Deposit	0	51,043	51,043	49,439
Prepaid Insurance	3,045	0	3,045	0
Accrued Int. Rec.	0	406	406	21
Accts. Receivable	<u>28,759</u>	<u>41,714</u>	<u>70,473</u>	<u>67,032</u>
TOTAL CURRENT ASSETS	\$ 36,385	\$ 151,768	\$ 188,153	\$ 293,472
<b>Restricted Cash &amp; Other Assets:</b>				
Cash	\$ 0	\$ 240,149	\$ 240,149	\$ 501,518
Cert. of Deposit	106,745	249,072	355,817	103,571
Accrued Int. Rec.	<u>480</u>	<u>1,121</u>	<u>1,601</u>	<u>1,552</u>
TOTAL RESTRICTED ASSETS	\$ <u>107,225</u>	\$ <u>490,342</u>	\$ <u>597,567</u>	\$ <u>606,641</u>
<b>Property, Plant &amp; Equipment:</b>				
Utility Plant	\$3,011,151	\$2,994,865	\$6,006,016	\$5,797,590
Accum Deprec.	<u>(830,746)</u>	<u>(958,166)</u>	<u>(1,788,912)</u>	<u>(1,684,153)</u>
NET PROPERTY, PLANT & EQUIPMENT	\$ <u>2,180,405</u>	\$ <u>2,036,699</u>	\$ <u>4,217,104</u>	\$ <u>4,113,437</u>
<b>Unamortized Discounts on Bonds:</b>				
<b>Issued &amp; Financing Costs</b>				
	\$ <u>50,958</u>	\$ <u>31,232</u>	\$ <u>82,190</u>	\$ <u>88,857</u>
	\$ <u>50,958</u>	\$ <u>31,232</u>	\$ <u>82,190</u>	\$ <u>88,857</u>
TOTAL ASSETS	\$ <u>2,374,973</u>	\$ <u>2,710,041</u>	\$ <u>5,085,014</u>	\$ <u>5,102,407</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
MARCH 31, 2005 AND MARCH 31, 2006

	<u>2005</u>			<u>2006</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Totals</u>
<b>LIABILITIES &amp; FUND EQUITY</b>				
<b>Current Liabilities:</b>				
Accts. Pay	\$ 778	\$ 1,437	\$ 2,215	\$ 948
Acc. Int. Payable	19,784	35,173	53,957	58,765
Current Portion of Long-term Debt	<u>65,800</u>	<u>89,200</u>	<u>155,000</u>	<u>145,000</u>
TOTAL CURRENT LIAB.	\$ <u>86,362</u>	\$ <u>125,810</u>	\$ <u>212,172</u>	\$ <u>204,713</u>
<b>Long--Term Liabilities:</b>				
Rev. Bonds	\$ <u>1,259,100</u>	\$ <u>645,900</u>	\$ <u>1,905,000</u>	\$ <u>2,060,000</u>
TOTAL LONG-TERM LIABILITIES	\$ <u>1,259,100</u>	\$ <u>645,900</u>	\$ <u>1,905,000</u>	\$ <u>2,060,000</u>
<b>Fund Equity:</b>				
Construction in Aid Of Construction	\$ 650,375	\$ 556,031	\$1,206,406	\$1,206,406
<b>Retained Earnings:</b>				
Reserve Per Revenue Bond Indenture	\$ 277,198	\$1,230,533	\$1,507,731	\$1,310,327
Unreserved	<u>101,938</u>	<u>151,767</u>	<u>253,705</u>	<u>320,961</u>
TOTAL RETAINED EARNINGS	\$ <u>379,136</u>	\$ <u>1,382,300</u>	\$ <u>1,761,436</u>	\$ <u>1,631,288</u>
TOTAL FUND EQUITY	\$ <u>1,029,511</u>	\$ <u>1,938,331</u>	\$ <u>2,967,842</u>	\$ <u>2,837,694</u>
TOTAL LIABILITIES & FUND EQUITY	\$ <u>2,374,973</u>	\$ <u>2,710,041</u>	\$ <u>5,085,014</u>	\$ <u>5,102,407</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>Combined</u>
OPERATING REVENUES:				
Charges for Services	\$162,681	\$235,839	\$398,520	\$377,700
Penalties	3,470	3,939	7,409	5,046
Interest Income & Other	9,133	24,062	33,195	14,503
TOTAL REVENUES	\$175,284	\$263,840	\$439,124	\$397,249
Operating Expenses:				
Supplies	\$ 6,873	\$ 2,621	\$ 9,494	\$ 6,450
Maintenance	67,162	15,797	82,959	112,532
Electricial Power	8,304	3,424	11,728	13,041
Labor	3,333	4,800	8,133	6,280
Miscellaneous	3,183	0	3,183	0
	\$ 88,855	\$ 26,642	\$115,497	\$138,303
Administration:				
Agent Fees	\$ 162	\$ 288	\$ 450	\$ 450
Salary	40,686	39,863	80,549	86,439
Audit	2,600	2,600	5,200	4,160
Supplies	5,000	5,000	10,000	23,600
Miscellaneous Other	480	1,053	1,533	991
Engineering/Attorney	15,161	1,051	16,212	11,114
Telephone & Misc.	520	1,467	1,987	2,565
Insurance	1,457	2,957	4,414	4,986
	\$ 66,066	\$ 54,279	\$120,345	\$134,305
Other Expenses:				
Depreciation	\$ 53,324	\$ 51,435	\$104,759	\$101,313
Amortization	4,132	2,532	6,664	6,664
Interest Exp.	49,402	87,826	137,228	145,595
	\$106,858	\$141,793	\$248,651	\$253,572
TOTAL EXPENSES	\$261,779	\$222,714	\$484,493	\$526,180

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS (CONTINUED)  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>			<u>2005</u>
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>Combined</u>
Net Income (Loss)				
Before Operating				
Transfers	\$ (86,495)	\$ 41,126	\$ (45,369)	\$ (128,931)
Operating Transfers:				
Transfer from				
Component Unit	<u>130,386</u>	<u>45,131</u>	<u>175,517</u>	<u>104,543</u>
NET INCOME (LOSS)	\$ 43,891	\$ 86,257	\$ 130,148	\$ (24,388)
Retained Earnings				
Beginning				
Of Year	<u>335,245</u>	<u>1,296,043</u>	<u>1,631,288</u>	<u>1,655,676</u>
RETAINED EARNINGS				
END OF YEAR	\$ <u>379,136</u>	\$ <u>1,382,300</u>	\$ <u>1,761,436</u>	\$ <u>1,631,288</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>			<u>2005</u>
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>Combined</u>
Cash Flows from Operating Activities:				
Net Income (Loss)	\$ 43,891	\$ 86,257	\$ 130,148	\$ (24,388)
Adjustments from Operating Activities:				
Depreciation	\$ 53,324	\$ 51,435	\$ 104,759	\$ 101,313
Amortization	4,132	2,532	6,664	6,664
(Increase) Decrease in Interest Rec.	(12)	(158)	(170)	(576)
(Increase) Decrease in Accts. Rec.	(1,773)	(1,668)	(3,441)	(19,255)
(Increase) Decrease in Prepaid Expense	(3,045)	0	(3,045)	0
Increase (Decrease) in Accounts Payable	72	1,195	1,267	455
Increase (Decrease) in Accrued Exp.	<u>(17,002)</u>	<u>13,195</u>	<u>(3,807)</u>	<u>(3,490)</u>
	\$ 79,587	\$ 152,788	\$ 232,375	\$ 60,723
Cash Flows from Capital & Related Financing:				
Capital Expenditures	\$(128,301)	\$ (80,125)	\$(208,426)	\$ 0
Cash Flows from Financing Activities:				
Reduction of Bonds Payable	\$(42,200)	\$(102,800)	\$(145,000)	\$(140,000)
Net Increase (Decrease) In Cash & Cash Equiv.	\$ (90,914)	\$ (30,137)	\$ (121,051)	\$ (79,277)

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER AND SEWER ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>			<u>2005</u>
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>Combined</u>
Cash & Cash Equivalents				
Beginning of Year	<u>\$202,242</u>	<u>\$629,006</u>	<u>\$831,248</u>	<u>\$910,525</u>
CASH & CASH EQUIVALENTS				
END OF YEAR	<u>\$111,328</u>	<u>\$598,869</u>	<u>\$710,197</u>	<u>\$831,248</u>

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year For:

Interest	<u>\$ 90,262</u>	<u>\$ 50,773</u>	<u>\$141,035</u>	<u>\$149,085</u>
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Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Village considers all liquid investments, such as certificates of deposits, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.



VILLAGE OF WEBBERVILLE  
WATER ENTERPRISE FUND  
BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS:		
Cash	\$ 4,581	\$ 98,671
Accounts Receivable	28,759	26,986
Prepaid Insurance	3,045	0
TOTAL CURRENT ASSETS	<u>\$ 36,385</u>	<u>\$ 125,657</u>
RESTRICTED CASH & OTHER:		
Certificate of Deposit	\$ 106,745	\$ 103,571
Accrued Interest Rec.	480	466
TOTAL RESTRICTED ASSETS	<u>\$ 107,225</u>	<u>\$ 104,037</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$3,011,151	\$2,882,850
Accumulated Depreciation	<u>(830,746)</u>	<u>(777,423)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$2,180,405</u>	<u>\$2,105,427</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	\$ 50,958	\$ 55,092
TOTAL ASSETS	<u>\$2,374,973</u>	<u>\$2,390,213</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER ENTERPRISE FUND  
BALANCE SHEET (CONTINUED)  
MARCH 31, 2006 AND MARCH 31, 2005

LIABILITIES AND FUND EQUITY

	<u>2006</u>	<u>2005</u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 778	\$ 706
Accrued Interest Payable	19,784	36,787
Current Portion of Long-Term Debt	<u>65,800</u>	<u>89,900</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 86,362</b>	<b>\$ 127,393</b>
 <b>LONG-TERM LIABILITIES:</b>		
Revenue Bonds	<u>\$1,259,100</u>	<u>\$1,277,200</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$1,259,100</b>	<b>\$1,277,200</b>
 <b>FUND EQUITY:</b>		
Contribution in Aid of Constr.	\$ 650,375	\$ 650,375
 <b>RETAINED EARNINGS:</b>		
Reserved Per Revenue Bond		
Indenture	\$ 277,198	\$ 188,063
Unreserved	<u>101,938</u>	<u>147,182</u>
<b>TOTAL RETAINED EARNINGS</b>	<b>\$ 379,136</b>	<b>\$ 335,245</b>
 <b>FUND EQUITY</b>	<b><u>\$1,029,511</u></b>	<b><u>\$ 985,620</u></b>
 <b>TOTAL LIABILITIES AND</b>		
<b>    RETAINED EARNINGS</b>	<b><u>\$2,374,973</u></b>	<b><u>\$2,390,213</u></b>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER SUPPLY SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>		Actual (Over) Under Budget	<u>2005</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
OPERATING REVENUES:				
Charges for Serv.	\$161,691	\$162,681	\$ (990)	\$157,536
Penalties	3,453	3,470	(17)	0
Int. & Misc. Income	4,305	9,133	(4,828)	5,387
TOTAL OPERATING REVENUES	\$169,449	\$175,284	\$ (5,835)	\$162,923
Operating Expenses:				
Supplies	\$ 6,873	\$ 6,873	\$ 0	\$ 6,419
Maintenance	194,888	67,162	127,726	71,379
Electrical Power	9,010	8,304	706	9,696
Labor	3,333	3,333	0	3,520
Misc.	3,153	3,183	(30)	0
	\$217,257	\$ 88,855	\$128,402	\$ 91,014
Administration:				
Agent Fees	\$ 0	\$ 162	\$ (162)	\$ 162
Salary	40,686	40,686	0	43,262
Audit	2,400	2,600	(200)	2,080
Supplies to General	0	5,000	(5,000)	11,800
Miscellaneous Other	480	480	0	511
Eng./Atty.	15,188	15,161	27	3,101
Telephone & Misc.	520	520	0	1,128
Insurance	4,503	1,457	3,046	3,020
	\$ 63,777	\$ 66,066	\$ (2,289)	\$ 65,064
Other Expenses:				
Depreciation	\$ 0	\$ 53,324	\$ (53,324)	\$ 53,196
Amortization	0	4,132	(4,132)	4,132
Int. Exp.	50,773	49,402	1,371	52,414
	\$ 50,773	\$106,858	\$ (56,085)	\$109,742
TOTAL EXPENSES	\$331,807	\$261,779	\$ 70,028	\$265,820

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER SUPPLY SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN RETAINED EARNINGS (CONTINUED)  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
	<u>Budget</u>			
Net Income Before				
Operating Transfers	\$ (162,358)	\$ (86,495)	\$ (75,863)	\$ (102,897)
Operating Transfers:				
Transfers from				
Component Unit	<u>122,918</u>	<u>130,386</u>	<u>(7,468)</u>	<u>56,836</u>
NET INCOME (LOSS)	\$ <u>(39,440)</u>	\$ 43,891	\$ <u>(83,331)</u>	\$ (46,061)
Retained Earnings - Beginning				
Of Year		<u>335,245</u>		<u>381,306</u>
RETAINED EARNINGS - END OF YEAR		\$ <u>379,136</u>		\$ <u>335,245</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
WATER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 43,891	\$(46,061)
Adjustments from Operating Activities:		
Depreciation	\$ 53,324	\$ 53,196
Amortization	4,132	4,132
(Increase) Decrease in Int. Rec.	(12)	(95)
(Increase) Decrease in Accts. Rec.	(1,773)	(7,364)
(Increase) Decrease in Prepays	(3,045)	0
Increase (Decrease) in Accts. Pay.	72	706
Increase (Decrease) in Accrued Exp.	(17,002)	(2,185)
	\$ 79,587	\$ 2,329
Cash Flows from Investing Activities:		
Capital Expenditures	\$(128,301)	\$ 0
Cash Flows from Financing Activities:		
Reduction of Bonds Payable	\$ (42,200)	\$(86,800)
Net Increase (Decrease) in Cash & Cash Equivalents	\$ (90,914)	\$(84,471)
Cash & Cash Equivalents Beginning Of Year	<u>202,242</u>	<u>286,713</u>
CASH & CASH EQUIVALENTS END OF YEAR	<u>\$111,328</u>	<u>\$202,242</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ <u>90,262</u>	\$ <u>55,161</u>

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
SEWER ENTERPRISE FUND  
BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS:		
Cash	\$ 58,605	\$ 84,013
Certificate of Deposit	51,043	49,439
Accounts Receivable	41,714	40,046
Accrued Interest Receivable	406	281
TOTAL CURRENT ASSETS	<u>\$ 151,768</u>	<u>\$ 173,779</u>
RESTRICTED CASH & OTHER:		
Cash	\$ 240,149	\$ 495,554
Certificate of Deposit	249,072	0
Accrued Interest Rec.	1,121	1,086
TOTAL RESTRICTED ASSETS	<u>\$ 490,342</u>	<u>\$ 496,640</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$2,994,865	\$2,914,740
Accumulated Depreciation	(958,166)	(906,730)
NET PROPERTY, PLANT & EQUIPMENT	<u>\$2,036,699</u>	<u>\$2,008,010</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	\$ 31,232	\$ 33,765
	<u>\$2,710,041</u>	<u>\$2,712,194</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
SEWER ENTERPRISE FUND  
BALANCE SHEET (CONTINUED)  
MARCH 31, 2006 AND MARCH 31, 2005

LIABILITIES AND FUND EQUITY

	<u>2006</u>	<u>2005</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 1,437	\$ 242
Accrued Interest Payable	35,173	21,978
Current Portion of Long-Term Debt	89,200	55,100
TOTAL CURRENT LIABILITIES	\$ 125,810	\$ 77,320
LONG-TERM LIABILITIES:		
Revenue Bonds	\$ 645,900	\$ 782,800
TOTAL LONG-TERM LIABILITIES	\$ 645,900	\$ 782,800
FUND EQUITY:		
Contribution in Aid of Construction	\$ 556,031	\$ 556,031
RETAINED EARNINGS:		
Reserved Per Revenue Bond Indenture	\$1,230,533	\$1,122,264
Unreserved	151,767	173,779
TOTAL RETAINED EARNINGS	\$1,382,300	\$1,296,043
TOTAL FUND EQUITY	1,938,331	1,852,074
TOTAL LIABILITIES AND FUND EQUITY	\$2,710,041	\$2,712,194

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN RETAINED EARNINGS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended</u>		<u>Actual</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Under</u>	<u>Actual</u>
			<u>Budget</u>	
OPERATING REVENUES:				
Charges for Services	\$ 200,000	\$ 235,839	\$ (35,839)	\$ 220,164
Penalties	3,500	3,939	(439)	5,046
Int. & Misc. Income	<u>9,520</u>	<u>24,062</u>	<u>(14,542)</u>	<u>9,116</u>
TOTAL REVENUES	\$ 213,020	\$ 263,840	\$ (50,820)	\$ 234,326
Operating Expenses:				
Supplies	\$ 8,000	\$ 2,621	\$ 5,379	\$ 31
Maintenance	24,000	15,797	8,203	41,153
Electrical Power	3,500	3,424	76	3,345
Labor	5,000	4,800	200	2,760
Miscellaneous	<u>500</u>	<u>0</u>	<u>500</u>	<u>0</u>
	\$ 41,000	\$ 26,642	\$ 14,358	\$ 47,289
Administration:				
Agent Fees	\$ 0	\$ 288	\$ (288)	\$ 288
Salary	48,500	39,863	8,637	43,177
Audit	2,200	2,600	(400)	2,080
Supplies	11,800	5,000	6,800	11,800
Miscellaneous Other	750	480	270	480
Eng./Atty.	7,000	1,051	5,949	8,013
Tele./Misc.	2,600	1,467	1,133	1,437
Improvements	70,000	573	69,427	0
Insurance	<u>2,500</u>	<u>2,957</u>	<u>(457)</u>	<u>1,966</u>
	\$ 145,350	\$ 54,279	\$ 91,071	\$ 69,241
Other Expenses:				
Depreciation	\$ 0	\$ 51,435	\$ (51,435)	\$ 48,117
Amortization	0	2,532	(2,532)	2,532
Interest Exp.	<u>90,262</u>	<u>87,826</u>	<u>2,436</u>	<u>93,181</u>
	\$ 90,262	\$ 141,793	\$ (51,531)	\$ 143,830
TOTAL EXPENSES	\$ 276,612	\$ 222,714	\$ 53,898	\$ 260,360

The accompanying notes are an integral part of the financial statements.



VILLAGE OF WEBBERVILLE  
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN RETAINED EARNINGS (CONTINUED)  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended</u>		<u>Actual</u>	
	<u>Budget</u>	<u>Actual</u>	<u>(Over)</u>	<u>Actual</u>
			<u>Under</u>	
			<u>Budget</u>	
NET INCOME (LOSS)				
BEFORE OPERATING				
TRANSFER	\$ (63,592)	\$ 41,126	\$ (104,718)	\$ (26,034)
OPERATING TRANSFERS:				
Transfer from				
Component Unit	\$ <u>65,881</u>	\$ <u>45,131</u>	\$ <u>20,750</u>	\$ <u>47,707</u>
NET INCOME (LOSS)	\$ <u>2,289</u>	\$ 86,257	\$ <u>(83,968)</u>	21,673
Retained Earnings -				
Beginning of Year		<u>1,296,043</u>		<u>1,274,370</u>
RETAINED EARNINGS -				
END OF YEAR		<u>\$1,382,300</u>		<u>\$1,296,043</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
SEWER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FISCAL YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 86,257	\$ 21,673
Adjustments from Operating Activities:		
Depreciation	\$ 51,435	\$ 48,117
Amortization	2,532	2,532
(Increase) Decrease in Int. Rec.	(158)	(481)
(Increase) Decrease in Accts. Rec.	(1,668)	(11,891)
Increase (Decrease) in Accts. Payable	1,195	(251)
Increase (Decrease) in Accrued Exp.	<u>13,195</u>	<u>(1,305)</u>
	\$152,788	\$ 58,394
Cash Flows from Investing Activities:		
Capital Expenditures	\$ (80,125)	\$ 0
Cash Flows from Financing Activities:		
Reduction of Bonds Payable	\$ (102,800)	\$ (53,200)
	<u>\$ (102,800)</u>	<u>\$ (53,200)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (30,137)	\$ 5,194
Cash and Cash Equivalents Beginning Of Year	<u>629,006</u>	<u>623,812</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$598,869</u>	<u>\$629,006</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ <u>50,773</u>	\$ <u>93,924</u>

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

## INTERNAL SERVICE FUNDS

### MOTOR VEHICLE POOL FUND

Motor Vehicle Pool Fund is used to account for Intergovernmental charges for operating expenses of vehicles of the Department of Public Works. Disbursements from this fund pay those various operating expenses. Accumulation of monies in this fund will be used for replacement of such vehicles.

VILLAGE OF WEBBERVILLE  
MOTOR VEHICLE POOL FUND  
BALANCE SHEET  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ 0	\$ 16,505
Prepaid Insurance	4,314	0
Equipment	221,501	164,933
Accumulated Depreciation on Equipment	(144,343)	(162,474)
	\$ <u>81,472</u>	\$ <u>18,964</u>

LIABILITIES AND RETAINED EARNINGS

Accounts Payable	\$ 45,655	\$ 0
Retained Earnings	<u>35,817</u>	<u>18,964</u>
	\$ <u>81,472</u>	\$ <u>18,964</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
MOTOR VEHICLE POOL FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
AND ANALYSIS OF CHANGES IN FUND BALANCES  
YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended</u>		Actual	
	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>	<u>Actual</u>
OPERATING REVENUES:				
Interest Income	\$ 18	\$ 100	\$ (82)	\$ 76
Gain on Sale	0	1,720	(1,720)	0
Charges for Services from Other Funds	24,900	24,900	0	33,690
TOTAL REVENUES	\$ 24,918	\$ 26,720	\$ (1,802)	\$ 33,766
OPERATING EXPENSES:				
Insurance	\$ 8,949	\$ 4,310	\$ 4,639	\$ 4,195
Dept. of Public Works	18,521	23,840	(5,319)	14,964
TOTAL EXPENDITURES	\$ 27,470	\$ 28,150	\$ (680)	\$ 19,159
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	\$ (2,552)	\$ (1,430)	\$ (1,122)	\$ 14,607
Transfers from Other Funds	\$ 20,000	\$ 18,283	\$ 1,717	(20,000)
NET INCOME (LOSS)	\$ (17,448)	\$ 16,853	\$ 595	\$ (5,393)
Retained Earnings at April 1,		18,964		24,357
RETAINED EARNINGS AT MARCH 31,		\$ 35,817		\$ 18,964

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
MOTOR VEHICLE POOL FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 16,853	\$ (5,393)
Adjustments from Operating Activities:		
Depreciation	\$ 5,304	\$ 1,304
(Increase) Decrease in Prepaid Exp.	(4,314)	0
Increase (Decrease) in Accts. Pay.	<u>45,655</u>	<u>0</u>
	\$ 63,498	\$ 1,304
Cash Flows from Investing Activities:		
Capital Expenditures	\$ (80,003)	\$ 0
Increase (Decrease) in Cash and Cash Equivalents	\$ (16,505)	\$ (4,089)
Cash and Cash Equivalents Beginning of Year	<u>16,505</u>	<u>20,594</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>0</u>	\$ <u>16,505</u>

Disclosure of Accounting Policy:

For purpose of the statement of cash flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

## FIDUCIARY FUNDS

### WATER AND SEWER DISTRIBUTION FUND

This fund is used to distribute water, sewer and garbage monies to the proper fund.

### PAYROLL FUND

Payroll Fund is used to account for the payroll paid to employees and the related payroll taxes and employee benefits.

### CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Village's current tax collections and to distribute such monies to the Village funds involved therein.

VILLAGE OF WEBBERVILLE  
 COMBINING STATEMENT OF CASH AND LIABILITIES  
 FIDUCIARY FUND TYPES  
 YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>				<u>2005</u>
	<u>Water &amp; Sewer Dist.</u>	<u>Payroll Fund</u>	<u>Tax Fund</u>	<u>Combined</u>	<u>Combined</u>
Cash	\$ 432	\$21,732	\$ 906	\$23,070	\$16,976
Due from General	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35</u>
	<u>\$ 432</u>	<u>\$21,732</u>	<u>\$ 906</u>	<u>\$23,070</u>	<u>\$17,011</u>
Payroll/Payroll Taxes					
Payable	\$ 0	\$20,790	\$ 0	\$20,790	\$15,002
Retirement Payable	0	942	0	942	705
Due to Other Funds	<u>432</u>	<u>0</u>	<u>906</u>	<u>1,338</u>	<u>1,304</u>
	<u>\$ 432</u>	<u>\$21,732</u>	<u>\$ 906</u>	<u>\$23,070</u>	<u>\$17,011</u>

The accompanying notes are an integral part of the financial statements.



VILLAGE OF WEBBERVILLE  
WATER AND SEWER DISTRIBUTION FUND  
BALANCE SHEET  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>432</u>	\$ <u>426</u>

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ <u>432</u>	\$ <u>426</u>
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The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
PAYROLL FUND  
BALANCE SHEETS  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$21,732	\$15,672
Due from General	<u>0</u>	<u>35</u>
	<u>\$21,732</u>	<u>\$15,707</u>

LIABILITIES AND FUND BALANCE

Payroll/Payroll Taxes Payable	\$20,790	\$15,002
Retirement Payable	942	705
Due to General	<u>0</u>	<u>0</u>
	<u>\$21,732</u>	<u>\$15,707</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>906</u>	\$ <u>878</u>
Due to Other Funds	\$ <u>906</u>	\$ <u>878</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 MARCH 31, 2006 AND 2005

	Cash Balance 4-01-05	Additions	Deductions	Cash Balance 3-31-06
<u>WATER AND SEWER DISTRIBUTION FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 426	\$391,623	\$391,617	\$ 432
	<u>\$ 426</u>	<u>\$391,623</u>	<u>\$391,617</u>	<u>\$ 432</u>

LIABILITIES

Undistributed Customer				
Billings	\$ 0	\$391,617	\$391,617	\$ 0
Due to Other Funds	426	6	0	432
	<u>\$ 426</u>	<u>\$391,623</u>	<u>\$391,617</u>	<u>\$ 432</u>

PAYROLL FUND

ASSETS

Cash	\$15,672	\$209,717	\$203,657	\$21,732
Due from Other Funds	35	0	35	0
	<u>\$15,707</u>	<u>\$209,717</u>	<u>\$203,692</u>	<u>\$21,732</u>

LIABILITIES

Payroll Taxes Payable	\$ 181	\$ 35,698	\$ 34,340	\$ 1,539
Retirement Payable	704	13,606	13,368	942
Insurance Payable	0	47,274	47,274	0
Payroll Payable	14,822	113,139	108,710	19,251
	<u>\$15,707</u>	<u>\$209,717</u>	<u>\$203,692</u>	<u>\$21,732</u>

The accompanying notes are an integral  
 part of the financial statements.

VILLAGE OF WEBBERVILLE  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 MARCH 31, 2006 AND MARCH 31, 2005

	Cash Balance <u>4-01-05</u>	<u>Additions</u>	<u>Deductions</u>	Cash Balance <u>3-31-06</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ <u>878</u>	\$ <u>722,145</u>	\$ <u>722,117</u>	\$ <u>906</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ <u>878</u>	\$ <u>722,145</u>	\$ <u>722,117</u>	\$ <u>906</u>
<u>COMBINED AMOUNTS</u>				
<u>ASSETS</u>				
Cash	\$16,976	\$1,323,485	\$1,317,391	\$23,070
Due to Other Funds	35	0	35	0
	<u>\$17,011</u>	<u>\$1,323,485</u>	<u>\$1,317,426</u>	<u>\$23,070</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 1,304	\$ 722,151	\$ 722,117	\$ 1,338
Payroll Taxes Payable	181	35,698	34,340	1,539
Retirement Payable	704	13,606	13,368	942
Insurance Payable	0	47,274	47,274	0
Payroll Payable	14,822	113,139	108,710	19,251
Undistributed Cust. Billings	0	391,617	391,617	0
	<u>\$17,011</u>	<u>\$1,323,485</u>	<u>\$1,317,426</u>	<u>\$23,070</u>

The accompanying notes are an integral  
 part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in  
proprietary fund operations or accounted for  
in trust funds.

VILLAGE OF WEBBERVILLE  
GENERAL FIXED ASSET ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS  
MARCH 31, 2006

ASSETS

Buildings and Land	\$1,421,322
Office Equipment	65,411
Police Equipment	10,598
DPW Equipment	191,508
Other Fixtures and Equipment	865
	<u>\$1,689,704</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$1,689,704</u>
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The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
GENERAL FIXED ASSETS FUND  
ANALYSIS OF CHANGES IN GENERAL FIXED ASSETS  
YEAR ENDED MARCH 31, 2006

	<u>3-31-05</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>3-31-06</u> <u>Balances</u>
Building & Land	\$1,421,322	\$ 0	\$ 0	\$1,421,322
Office Equipment	61,651	3,760	0	65,411
Police Equipment	10,598	0	0	10,598
DPW Equipment	191,508	0	0	191,508
Other Fixtures & Equipment	<u>865</u>	<u>0</u>	<u>0</u>	<u>865</u>
	<u>\$1,685,944</u>	<u>\$ 3,760</u>	<u>\$ 0</u>	<u>\$1,689,704</u>

The accompanying notes are an integral  
part of the financial statements.



**GENERAL LONG-TERM DEBT**

To account for the long-term contract payable for a bridge in the Local Street Fund, as well as Downtown Development Authority indebtedness.

VILLAGE OF WEBBERVILLE  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Amount to be Provided for the Retirement of Contracts	<u>\$629,846</u>	<u>\$654,846</u>

LIABILITIES

Loans Payable	<u>\$629,846</u>	<u>\$654,846</u>
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The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
ANALYSIS OF CHANGE IN FUND BALANCE  
GENERAL LONG-TERM DEBT  
MARCH 31, 2006

	<u>Balance</u> <u>3-31-05</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>3-31-06</u>
Bank Mortgage -				
Building	\$170,000	\$      0	\$25,000	\$145,000
Notes Payable - DDA	<u>484,846</u>	<u>      0</u>	<u>      0</u>	<u>484,846</u>
	<u>\$654,846</u>	<u>\$      0</u>	<u>\$25,000</u>	<u>\$629,846</u>

The accompanying notes are an integral  
part of the financial statements.

**FINANCIAL STATEMENTS**  
**OF**  
**DISCRETELY PRESENTED COMPONENT UNITS**

#### DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority (DDA) Fund is used to account for the operations of the Webberville DDA. Financing for DDA operations was provided by the General Fund. Resources of this fund are used for the administration of the Authority and planning of improvements in the downtown district.

VILLAGE OF WEBBERVILLE  
DOWNTOWN DEVELOPMENT AUTHORITY  
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$299,747	\$284,415
Due from Other Government Units	<u>376,328</u>	<u>392,329</u>
	<u>\$676,075</u>	<u>\$676,744</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 31,332	\$ 31,102
Accrued Interest Payable	<u>12,514</u>	<u>9,786</u>
TOTAL LIABILITIES	\$ 43,846	\$ 40,888
 Fund Balance	 <u>632,229</u>	 <u>635,856</u>
	<u>\$676,075</u>	<u>\$676,744</u>

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
DOWNTOWN DEVELOPMENT AUTHORITY  
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>Amended Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
REVENUES:				
Interest & Misc.	\$ 26,000	\$ 8,535	\$ 17,465	\$ 7,963
Other Gov't Units	576,411	319,683	256,728	431,671
TOTAL REVENUES	\$ 602,411	\$ 328,218	\$ 274,193	\$ 439,634
EXPENDITURES:				
Fascade Grant	\$ 0	\$ 0	\$ 0	\$ 10,000
Inspections	0	0	0	218
Adv. & Promo.	0	400	0	389
Audit	0	0	0	800
Contracted Serv.	0	12,221	0	12,059
Legal	0	5,455	0	12,404
Office Exp.	0	1,558	0	910
Engineering	0	7,018	0	639
Recording Salary	0	800	0	500
Long-Term Debt				
Int. Exp.	0	30,376	0	21,175
Drains	0	231,943	0	236,368
Publishing	0	95	0	327
Street Lights	0	10,860	0	8,875
TOTAL EXPENDITURES	\$ 566,393	\$ 300,726	\$ 265,667	\$ 304,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (36,018)	\$ 27,492	\$ 8,526	\$ 134,970

The accompanying notes are an integral  
part of the financial statements.

VILLAGE OF WEBBERVILLE  
DOWNTOWN DEVELOPMENT AUTHORITY  
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Amended Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
OTHER FINANCING SOURCES:				
Transfer from Primary Government	\$ 0	\$ 193,513	\$(193,513)	\$ 204,087
Transfer to Primary Government	(220,518)	(224,632)	<u>4,114</u>	(154,429)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS				
	\$ <u>184,500</u>	\$ (3,627)	\$( <u>180,873</u> )	\$ 184,628
Fund Balance at April 1,		<u>635,856</u>		<u>451,228</u>
FUND BALANCE AT MARCH 31,		\$ <u>632,229</u>		\$ <u>635,856</u>

The accompanying notes are an integral  
part of the financial statements.



VILLAGE OF WEBBERVILLE  
WATER AND SEWER SYSTEM  
DEBT SERVICE CHARGES TO MATURITY ON BONDED INDEBTEDNESS  
1994 BOND  
MARCH 31, 2006

<u>Year Ended</u> <u>March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 155,000	\$ 131,900	\$ 286,900
2008	160,000	122,135	282,135
2009	165,000	112,055	277,055
2010	170,000	101,660	271,660
2011	170,000	90,950	260,950
2012	180,000	80,240	260,240
2013	180,000	68,900	248,900
2014	195,000	57,200	252,200
2015	125,000	44,525	169,525
2016	130,000	36,400	166,400
2017	135,000	27,950	162,950
2018	145,000	19,175	164,175
2019	150,000	9,750	159,750
	<u>\$2,060,000</u>	<u>\$ 902,840</u>	<u>\$2,962,840</u>

The accompanying notes are an integral  
prt of the financial statements.

VILLAGE OF WEBBERVILLE  
BUILDING AUTHORITY BONDS  
MARCH 31, 2006

<u>Year Ended</u> <u>March 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2007	\$ 12,240	\$ 25,000	\$ 37,240
2008	10,512	25,000	35,512
2009	8,700	25,000	33,700
2010	6,888	30,000	36,888
2011	4,712	30,000	34,712
2012	<u>2,538</u>	<u>35,000</u>	<u>37,538</u>
	\$ <u>45,590</u>	<u>\$170,000</u>	<u>\$215,590</u>

The accompanying notes are an integral part of the financial statements.

Village of Webberville  
Downtown Development Authority  
Republic Bank Loan - 4.09%

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
5/1/2006	\$ 4,309.74	\$ 3,190.46	\$ 7,500.20
11/1/2006	4,309.74	3,153.24	7,462.98
5/1/2007	4,309.74	3,013.21	7,322.95
11/1/2007	4,309.74	2,973.06	7,282.80
5/1/2008	4,309.74	2,851.63	7,161.37
11/1/2008	4,309.74	2,792.87	7,102.61
5/1/2009	4,309.74	2,658.71	6,968.45
11/1/2009	4,309.74	2,612.69	6,922.43
5/1/2010	4,309.74	2,481.47	6,791.21
11/1/2010	4,309.74	2,432.50	6,742.24
5/1/2011	4,309.74	2,304.22	6,613.96
11/1/2011	4,309.74	2,252.32	6,562.06
5/1/2012	4,309.74	2,138.72	6,448.46
11/1/2012	4,309.74	2,072.13	6,381.87
5/1/2013	4,309.74	1,949.72	6,259.46
11/1/2013	4,309.74	1,891.95	6,201.69
5/1/2014	4,309.74	1,772.48	6,082.22
11/1/2014	4,309.74	1,711.76	6,021.50
5/1/2015	4,309.74	1,595.23	5,904.97
11/1/2015	4,309.74	1,531.58	5,841.32
5/1/2016	4,309.74	1,425.82	5,735.56
11/1/2016	4,309.74	1,351.39	5,661.13
5/1/2017	4,309.74	1,240.73	5,550.47
11/1/2017	4,309.74	1,171.21	5,480.95
5/1/2018	4,309.74	1,063.49	5,373.23
11/1/2018	4,309.74	991.02	5,300.76
5/1/2019	4,309.74	886.24	5,195.98
11/1/2019	4,309.74	810.84	5,120.58
5/1/2020	4,309.74	712.91	5,022.65
11/1/2020	4,309.74	630.65	4,940.39
5/1/2021	4,309.74	531.74	4,841.48
11/1/2021	4,309.74	450.47	4,760.21
5/1/2022	4,309.74	354.50	4,664.24
11/1/2022	4,309.74	270.28	4,580.02
5/1/2023	4,309.74	177.25	4,486.99
11/1/2023	<u>4,309.85</u>	<u>90.09</u>	<u>4,399.94</u>
	\$ <u>155,150.75</u>	\$ <u>59,538.58</u>	\$ <u>214,689.33</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE  
DOWNTOWN DEVELOPMENT AUTHORITY  
REPUBLIC BANK LOAN 6.00%

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
5/1/2006	\$ 9,158.20	\$ 9,945.83	\$ 19,104.03
11/1/2006	9,158.20	9,829.83	18,988.03
5/1/2007	9,158.20	9,393.28	18,551.48
11/1/2007	9,158.20	9,268.12	18,426.32
5/1/2008	9,158.20	8,889.58	18,047.78
11/1/2008	9,158.20	8,706.42	17,864.62
5/1/2009	9,158.20	8,288.19	17,446.39
11/1/2009	9,158.20	8,144.71	17,302.91
5/1/2010	9,158.20	7,735.65	16,893.85
11/1/2010	9,158.20	7,583.01	16,741.21
5/1/2011	9,158.20	7,183.10	16,341.30
11/1/2011	9,158.20	7,021.31	16,179.51
5/1/2012	9,158.20	6,667.19	15,825.39
11/1/2012	9,158.20	6,459.60	15,617.80
5/1/2013	9,158.20	6,078.01	15,236.21
11/1/2013	9,158.20	5,897.90	15,056.10
5/1/2014	9,158.20	5,525.46	14,683.66
11/1/2014	9,158.20	5,336.19	14,494.39
5/1/2015	9,158.20	4,972.92	14,131.12
11/1/2015	9,158.20	4,774.49	13,932.69
5/1/2016	9,158.20	4,444.79	13,602.99
11/1/2016	9,158.20	4,212.79	13,370.99
5/1/2017	9,158.20	3,867.83	13,026.03
11/1/2017	9,158.20	3,651.08	12,809.28
5/1/2018	9,158.20	3,315.28	12,473.48
11/1/2018	9,158.20	3,089.38	12,247.58
5/1/2019	9,158.20	2,762.73	11,920.93
11/1/2019	9,158.20	2,527.67	11,685.87
5/1/2020	9,158.20	2,222.40	11,380.60
11/1/2020	9,158.20	1,965.97	11,124.17
5/1/2021	9,158.20	1,657.64	10,815.84
11/1/2021	9,158.20	1,404.27	10,562.47
5/1/2022	9,158.20	1,105.10	10,263.30
11/1/2022	9,158.20	842.56	10,000.76
5/1/2023	9,158.20	552.55	9,710.75
11/1/2023	<u>9,158.36</u>	<u>280.86</u>	<u>9,439.22</u>
	\$ <u>329,695.36</u>	\$ <u>185,603.69</u>	\$ <u>515,299.05</u>

The accompanying notes are an integral part of the financial statements.



# DEMIS and WENZLICK, P.C.

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## COMMENTS AND RECOMMENDATIONS

October 30, 2006

To the Honorable President  
And Village Council  
Village of Webberville, Michigan

In compliance with the provisions of Section 11 of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Village of Webberville for the year ended March 31, 2006.

### BUDGET

The State Revenue Sharing Distribution Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

### BANK RECONCILIATIONS

Bank reconciliations must be prepared in a timely manner to enable the Village in determining available resources in various funds. The reconciliation for the Joint Fund Cash account was not being prepared during the year under audit. We noted the following regarding the Joint Fund Cash bank account:

#### BANK RECONCILIATIONS (CONTINUED)

1. There was no reconciliation to the general ledger.
2. Deposits were posted to the general ledger in one period and appear to be deposited several days later.
3. Checks were recorded in the general ledger that were voided.
4. Deposits were posted to incorrect funds.
5. Transfers were posted to the ledger and never made.
6. Interest received was not being recorded in a timely manner.

An important internal control over cash is the preparation of timely reconciliations of the bank accounts to the general ledger. We recommend all bank accounts be reconciled to the general ledger monthly.

We also recommend deposits be made to the bank daily.

#### PAYROLL REPORTING

We noted the Village received a penalty for late filing of payroll taxes for the month of January 2006.

It is important that all payroll taxes be paid in a timely manner. We recommend procedures be in place to assure timely payments to avoid penalties.

During our audit, we noted that the Employer Quarterly Federal Tax Returns (Form 941) did not agree to the Forms W-2.

We recommend procedures be implemented for proper preparation of all payroll tax reports.

We would like to thank the staff of the Village and Village Council for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

*Dennis and Wenzel, PC*

Certified Public Accountants